IN THE HIGH COURT OF JUDICATURE AT BOMBAY
APPELLATE SIDE

Civil Application No.2147 of 2007
IN
Writ Petition No.6823 of 2005

Godavari Manar Sahakari Sakhar Karkhana Ltd. .. Applicant
(Orig. Respondent No.4)

v/s.

1. Nanded District Central Co-operative Bank Limited, Nanded & ors. .. Respondents

W I T H

Civil Application No.2621 of 2007
IN
Writ Petition No.6823 of 2005

Godavari Manar Sahakari Sakhar Karkhana Ltd. .. Applicant
(Orig. Respondent No.4)

v/s.

2. Nanded District Central Co-operative Bank Limited, Nanded & ors. .. Respondents

Mr.J. Shekhar for applicant.
Mr.Amit Borkar for respondents.
Mrs.M.P.Thakur, AGP.

CORAM : SMT.RANJANA DESAI &

SMT.ROSHAN DALVI, JJ.

Dated : 10th December 2007

P.C. :

1. The applicant is original respondent No.4, who had filed Civil

Application No.1373 of 2006 for direction to sell sugar in the open market under free sale quota and further for a direction to allow the applicant to deposit sale proceeds in this court.

2. By order dated 29.6.2006, this court allowed the applicant to sell 24,800 sugar bags in the open market and further directed the applicant to deposit sale proceeds within stipulated time.

3. According to the applicant pursuant to the order dated 29.6.2006, the applicant sold sugar bags in the open market in the free sale quota and deposited an amount of Rs.2,97,00,000/- in this court.

4. In Civil Application No.2147 of 2007 the applicant has prayed that order dated 29.6.2006 passed by this court be modified and the applicant be allowed to deposit the sale proceeds in the Union Bank of India, Salisbury Branch, Pune-37 as it has assured the applicant to give maximum rate of interest and it has assured the applicant that it can give a bank guarantee to the applicant for the claim of respondent No.1 and thereby the applicant would be in a

position to discharge it's liability, if any, towards respondent No.1 in case respondent No.1 succeeds in the petition.

5. In Civil Application No.2621 of 2007, the applicant has stated that vide order dated 17.2.2006 this court had permitted the applicant to sell 24,800 sugar bags in open market and further directed the applicant to deposit sale proceeds in the court within stipulated time. The applicant has stated that as per the said order, the applicant prepared the demand drafts of Rs.40,14,100.00. However, there was some confusion as to whether the demand drafts should be deposited in the bank or in this court. The applicant, therefore, made application in this court. During the pendency of the application, the demand drafts became outdated. The applicant then made representation to various purchasers at Rajasthan and requested them to issue fresh demand drafts. Thereafter fresh demand drafts were prepared. However, the Administrative Officer of the applicant while returning from Mumbai lost his bag in which fresh demand drafts were kept. He lodged a complaint in

G.R.P. Police Station, District Jaipur bearing No.337. The applicant has, therefore, prayed in this civil application that some time be granted to deposit demand drafts in this court.

6. We have heard learned counsel for the applicant. He submitted that an amount of Rs.49,14,100/- has yet to be deposited. The demand drafts could not be deposited because of the reasons stated in Civil Application No.2621 of 2007. He submitted that in view of the acceptable explanation offered by the applicant the time to deposit the balance amount may be extended and for reasons stated in Civil Application No.2147 of 2007, the amount may be directed to be invested in Union Bank of India, Salisbury branch, Pune.

7. We have also heard learned counsel for the 1st respondent and learned AGP. They have not objected to extension of time. In the circumstances of the case, the time to deposit balance amount / demand drafts is extended by four weeks. Registry is directed to invest the deposited amount in any nationalised bank on usual terms.

8. The Registry will independently examine whether it is feasible and according to rules to invest the money in Union Bank of India. If it is feasible, proper and in accordance with rules, the Registry may take a decision to invest the money in Union Bank of India on usual terms. The decision may be taken independently.

9. Both the civil applications are disposed of in aforestated terms.

(SMT.RANJANA DESAI, J.)

(SMT.ROSHAN DALVI, J.)